

ORDER NO. 3408

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Before Commissioners:

Robert G. Taub, Acting Chairman;
Nanci E. Langley, Vice Chairman;
Mark Acton; and
Tony Hammond

Competitive Product Prices
Priority Mail Contract 160 (MC2016-29)
Negotiated Service Agreement

Docket No. CP2016-35

ORDER APPROVING AMENDMENT TO A
PRIORITY MAIL NEGOTIATED SERVICE AGREEMENT

(Issued July 5, 2016)

I. INTRODUCTION

The Postal Service seeks to amend a Priority Mail negotiated service agreement.¹ For the reasons discussed below, the Commission approves the Amendment.

In Order No. 2891, the Commission approved the Priority Mail Contract 160 negotiated service agreement (Existing Agreement).² On July 1, 2016, the Postal Service filed notice that the terms of the contract have changed in accordance with the

¹ Notice of United States Postal Service of Amendment to Priority Mail Contract 160, with Portions Filed Under Seal, July 1, 2016 (Notice). The amendment is an attachment to the Notice (Amendment).

² See Docket Nos. MC2016-29 and CP2016-35, Order Adding Priority Mail Contract 160 to the Competitive Product List, December 17, 2015 (Order No. 2891).

contract's terms of amendment. Notice at 1. The Postal Service intends for the Amendment to become effective two business days after the date that the Commission issues approval of the Amendment. *Id.* Attachment A at 1. The Postal Service asserts that the Amendment "will not affect the cost coverage of Priority Mail Contract 160." Notice at 1. The Postal Service incorporates by reference the Application for Non-Public Treatment originally filed in this docket for the protection of information that it has filed under seal. *Id.*

II. COMMISSION ANALYSIS

The Commission has reviewed the Notice and the accompanying Amendment filed under seal.

The Amendment reflects the corporate name change of the contract partner but does not otherwise change the contract's terms. *See id.* Attachment A at 1. Thus, the Amendment does not materially affect the underlying financial analysis of the Existing Agreement. The Commission finds that the Existing Agreement, as amended, comports with the provisions applicable to rates for competitive products in 39 U.S.C. § 3633(a) and 39 C.F.R. § 3015.7.

Other considerations. The Postal Service states that the Amendment shall become effective two business days after the date that the Commission completes its review. *Id.* The Existing Agreement, as amended, is set to expire three years after the initial effective date unless, among other things, either party terminates the contract with 30 days' written notice to the other party or it is renewed by mutual agreement.³

If the Existing Agreement, as amended, is terminated prior to the scheduled expiration date, the Postal Service shall promptly notify the Commission.

In conclusion, the Commission approves the Existing Agreement, as amended.

³ Docket Nos. MC2016-29 and CP2016-35, Request of the United States Postal Service to Add Priority Mail Contract 160 to Competitive Product List and Notice of Filing (Under Seal) of Unredacted Governors' Decision, Contract, and Supporting Data, December 8, 2015, Attachment B at 4.

III. ORDERING PARAGRAPHS

It is ordered:

1. The Commission approves the Priority Mail Contract 160 negotiated service agreement, as amended.
2. The Postal Service shall notify the Commission if the Existing Agreement, as amended, terminates prior to the scheduled expiration date.

By the Commission.

Ruth Ann Abrams
Acting Secretary